Governor Blagojevich's Sustainable Energy Plan

Air Innovations Conference

August 2005

Chicago, Illinois

Governor Blagojevich's Sustainable Energy Plan

- February 2005 State of the State Speech:
  - Proposed Renewable Energy Standard
  - Proposed Energy Efficiency Standard
- Achieved consensus on key points of key stakeholders
- Adopted by Illinois Commerce Commission July 19, 2005

Renewable Energy Standard

- Renewable Standard Adopted by ICC:
  - 2% for 2007
  - Increasing 1% per year to 8% by 2013
  - 75% from wind energy
  - At least 2,000 MW of wind energy installations anticipated in Illinois
  - Enough wind power for 1,000,000 homes

Energy Efficiency Standard

- Energy Efficiency Standard adopted by ICC:
  - Electric power suppliers to issue RFPs to contract for energy efficiency to reduce annual growth in electric consumption by:
    - 10% from 2007 to 2009
    - 15% from 2010 to 2012
    - 20% from 2013 to 2015
    - 25% from 2016 to 2018
  - Utilities to submit plans to procure energy efficiency

Energy Efficiency Standard

- Current DCEO EE Fund $3 million/year
- Efficiency Standard value estimated at $40 mil/year
  - ComEd target 154 GWH for 2007, for example
- ComEd and Ameren anticipate releasing RFPs by sector, including:
  - Commercial
  - Industrial
  - Residential
  - Low Income
- Some preference for Market Transformation expected

Illinois EERE Air Quality Integration Pilot Program

- The Illinois pilot project attempts to quantify and locate emission reductions resulting from the EERE strategies in the Governor's plan to include the emission benefits in the SIP
- Relevant EPA Guidance:
  - *Guidance on State Implementation Plan Credits for Emission Reductions from Electric-Sector Energy Efficiency and Renewable Energy Measures* (August 2004)
  - *Incorporating Emerging and Voluntary Measures in a State Implementation Plan* (September 2004)
- NREL technical assistance & modeling

EERE Air Quality Integration

Process:

- Estimate the amount of EERE generation
- Provide preliminary estimates of emission reductions that will result from EERE measures
- Model to determine the electric generation that will be displaced
- Determine the geographic areas that will be impacted by the estimated emission reductions
- Determine appropriate size of benefits for SIP

Issues:

- Illinois is deregulated and a significant exporter of power
- Increased use of renewables may result in emission reductions outside the nonattainment areas (i.e., may result in regional or national benefits)

UIC Study

- The Economic and Environmental Impacts of Clean Energy Development in Illinois
  - Provides vision for EERE to play a significant role in SIPs
  - Modeled RPS and also a much more aggressive EEPS (1% per year load reduction) as well as integration of some CHP and IGCC
  - Found significant economic development benefits (creation of almost 8,000 jobs just from RPS)
  - Available at www.erc.uic.edu

UIC Study on Clean Energy Development Impacts